

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FPC-01 H-02 INR-07  
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-15  
OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-10 PA-02  
PRS-01 /118 W

-----088428 110900Z/10

O 110807Z AUG 77

FM AMEMBASSY NEW DELHI  
TO AMCONSUL BOMBAY IMMEDIATE  
SECSTATE WASHDC PRIORITY 5337  
AMEMBASSY ISLAMABAD

UNCLAS NEW DELHI 11327

E.O. 11652: N/A

TAGS: PARM ENRG TECH IN

SUBJECT: G.K. REDDY ON DIFFICULTIES IN INDO-US NUCLEAR TALKS

FOLLOWING SENT ACTION NEW DELHI FROM MADRAS AUG 11 REPEATED:

QUOTE

MADRAS 1303

E.O. 11652: N/A

TAGS: PARM, ENRG, TECH, IN

SUBJECT: G.K. REDDY ON DIFFICULTIES IN INDO-U.S. NUCLEAR TALKS

FOLLOWING IS FULL TEXT OF G.K. REDDY ARTICLE TITLED:

"INDO-U.S. NUCLEAR TALKS RUNNING INTO DIFFICULTIES" APPEARING  
IN AUGUST 11 HINDU.

QUOTE.

NEW DELHI, AUG.10.

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THE INDO-AMERICAN DIALOGUE ON NUCLEAR NON-PROLIFERATION IS  
RUNNING INTO DIFFICULTIES FOLLOWING THE LATEST REDEFINITION  
OF THEIR RESPECTIVE POSITIONS BY THE TWO COUNTRIES AFTER  
THE OPENING ROUND OF TALKS LAST WEEK IN DELHI.

IN HIS REPLY TO THE DEBATE ON FOREIGN POLICY IN THE RAJYA

SABHA YESTERDAY, THE EXTERNAL AFFAIRS MINISTER STATED QUITE CATEGORICALLY THAT INDIA WAS NOT GOING TO SIGN THE NPT BECAUSE IT WAS AN UNEQUAL AND DISCRIMINATORY TREATY, AND THAT IT WOULD NOT ALLOW OUTSIDE INSPECTION OF ANY NUCLEAR INSTALLATION BUILT WITH ITS OWN RESOURCES "UNDER ANY CIRCUMSTANCES."

A DAY EARLIER, THE AMERICAN EMBASSADOR, MR. ROBERT GOHEEN, SAID IN AN Equally OUTSPOKEN FASHION AT A PRESS CONFERENCE IN BOMBAY THAT, THOUGH THE U.S. WAS NOT ASKING INDIA TO SIGN THE NPT, THE ABILITY OF HIS GOVERNMENT TO SUPPLY NUCLEAR FUEL TO TARAPUR WOULD DEPEND ON THE OUTCOME OF THE CURRENT DISCUSSIONS. AT THE RECENT TALKS IN DELHI, THE U.S. NEGOTIATOR, MR. JOSEPH NYE, SAID MORE EXPLICITLY THAT, IF THERE WAS NO ACCORD ON WHAT HAS COME TO BE DESCRIBED AS "FULL SCOPE" SAFEGUARDS ON THE WHOLE RANGE OF INDIA'S NUCLEAR PROGRAMME, THE UNITED STATES WOULD HAVE TO DISENGAGE ITSELF FROM THE TARAPUR AGREEMENT.

MEANWHILE, THE PRIME MINISTER, MR. MORARJI DESAI, CLARIFIED IN A BRIEF INTERVENTION DURING THE FOREIGN POLICY DEBATE IN THE RAJYA SABHA YESTERDAY, THAT HE HAD NEVER SAID THAT INDIA SHOULD NOT USE NUCLEAR EXPLOSIONS EVEN FOR PEACEFUL PURPOSES. THE CONFUSION HAD EVIDENTLY ARISING OVER HIS EARLIER OBSERVATIONS IN THE LOK SABHA ON JULY 13 ON THE SUBJECT WHEN HE DECLARED THAT, ON THE BASIS OF THE AVAILABLE SCIENTIFIC ADVICE AT PRESENT HE HAD COME TO THE CONCLUSION THAT NO FURTHER

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TESTS WERE NECESSARY FOR HARNESSING NUCLEAR ENERGY FOR PEACEFUL PURPOSES. HE, HOWEVER, ASSURED THAT NATION THAT "IF IT IS NECESSARY WE CAN DO IT ALWAYS IN CONSULTATION WITH OTHER PEOPLE." HE ADDED: "NOBODY WILL OBJECT TO IT IF IT IS NECESSARY AND IF THEY ARE CONVINCED. IF I AM CONVINCED, I CAN CONVINCE THEM".

THESE CLARIFICATIONS OF INDIA'S NUCLEAR POLICY BY THE PRIME MINISTER AND THE EXTERNAL AFFAIRS MINISTER ON THE INTER-RELATED ISSUES OF THE COUNTRY'S RIGHT TO CONDUCT FURTHER TESTS AND ITS REFUSAL TO SUBMIT THE FULLY INDIAN-BGELET NUCLEAR INSTALLATIONS TO INTERNATIONAL INSPECTION HAVE COME IN THE WAKE OF THE STRONGLY-WORDED CONGRESS WORKING COMMITTEE RESOLUTION ACCUSING THE JANATA GOVERNMENT OF MAKING AN UNFORTUNATE DEPARTURE FROM THE POLICY SO FAR PURSUED BY INDIA IN ITS BEST NATIONAL INTEREST. THE REDEFINITION OF THE INDIAN POSITION BY MR. DESAI AND MR. VAJPAYEE HAS HELPED TO ELUCIDATE THAT, IN REFUSING TO SIGN THE NPT AND REJECTING THE PLEAS FOR INTERNATIONAL INSPECTION OF ALL ITS NUCLEAR INSTALLATIONS, THE NEW GOVERNMENT IS NOT DECLINING TO CO-OPERATE WITH THE REST OF THE WORLD COMMUNITY IN EVOLVING PROPER SAFEGUARDS AGAINST PROLIFERATION.

TALKS TO ESTABLISH COMMON GROUND

THE CURRENT INDO-U.S. TALKS ARE BEING CONDUCTED OVER A WIDE SPECTRUM TO ESTABLISH COMMON GROUND BETWEEN THE TWO COUNTRIES CONSISTENT WITH THEIR POSITIONS ON ALL ASPECTS OF THE NUCLEAR PROBLEM. FIRST, THE U.S. WANTS INDIA TO PARTICIPATE IN THE COMPREHENSIVE INTERNATIONAL DISCUSSIONS THAT IT IS INITIATING TO DEVELOP ALTERNATE NUCLEAR FUEL CYCLES FOR POWER GENERATION WITHOUT THE RISKS OF PROLIFERATION. SECONDLY, IT WOULD LIKE INDIA TO JOIN THE NUCLEAR SUPPLIERS GROUP AND ABIDE BY THE GUIDELINES THAT ARE BEING EVOLVED FOR REGULATING THE TRANSFER OF ATOMIC TECHNOLOGY, MATERIALS AND EQUIPMENT. THIRDLY, IT IS EXERTING ALL POSSIBLE PRESSURES, WITH THE

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IMPLIED THREAT OF DISENGAGING ITSELF FROM THE TARAPUR AGREEMENT, TO ACCEPT "FULL SCOPE" SAFEGUARDS ON ITS ENTIRE NUCLEAR ACTIVITY AS A TOKEN OF ITS DEEP COMMITMENT TO THE PRINCIPLE OF NON-PROLIFERATION.

THE U.S. HAS INVITED ABOUT 30 COUNTRIES TO TAKE PART IN THE INTERNATIONAL NUCLEAR FUEL CYCLE EVALUATION PROGRAMME (INFCEP) WHICH IT IS ORGANISING TO EXPLORE THE TECHNOLOGICAL POSSIBILITIES OF ALTERNATE FUEL CYCLES, OTHER THAN THE PRESENT FISSION-BASED REACTORS RUN WITH NATURAL OR ENRICHED URANIUM, TO PREVENT THE BREEDING OF WEAPONS-GRADE PLUTONIUM AS A BY-PRODUCT. THOUGH IT HAS NOT YET ACCEPTED THE INVITATION, INDIA IS NOT AVERSE TO THE IDEA OF PARTICIPATION IN SUCH AN INTERNATIONAL EFFORT. BUT IT IS NOT PREPARED TO JOIN THE NUCLEAR SUPPLIERS CLUB, WHICH IS A CARTEL OF THE INDUSTRIAL POWERS THAT IS INDULGING IN DOUBLE STANDARDS TO CONTROL THE MULTI-BILLION DOLLAR NUCLEAR TRADE IN THE NAME OF PREVENTING PROLIFERATION.

THREAT OF STOPPAGE OF FUEL SUPPLIES

IF INDIA HAS TO SUBMIT TO THE U.S. DEMAND FOR "FULL SCOPE" INTERNATIONAL INSPECTION OF THE ENTIRE FIELD OF ITS NUCLEAR ACTIVITY, WHETHER IT IS THE FOREIGN-AIDED INSTALLATIONS LIKE THE TARAPUR AND RAJASTHAN POWER PLANTS OR THE LOCALLY DESIGNED AND BUILT ESTABLISHMENT AT TROMBAY, KALPAKKAM AND ELSEWHERE, IT WOULD AMOUNT TO VIRTUALLY SIGNING THE NPT ESPECIALLY WHEN THE COUNTRY HAS GIVEN UP THE IDEA OF CONDUCTING FURTHER TESTS IN THE FORESEEABLE FUTURE. THE JANATA GOVERNMENT WILL HAVE TO FACE THE U.S. THREAT OF STOPPAGE OF THE FUEL SUPPLIES TO TARAPUR RATHER THAN SUBMIT TO THE WIDE-RANGING CONCEPT OF "FULL SCOPE" INSPECTION, SINCE IT WOULD HAVE A VERY ADVERSE IMPACT ON INDIAN PUBLIC OPINION. IT RUNS THE RISK OF A SHUT DOWN OF THE TARAPUR PLANT FOR SOME TIME, IF THE COUNTRY

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ADHERES TO THE FIRM STAND IT HAS TAKEN ON THIS ISSUE.

IF THE U.S. CUTS OFF THE FUEL SUPPLY TO TARAPUR, THERE IS NO POSSIBILITY OF OBTAINING IT FROM OTHER SOURCES AT PRESENT. THOUGH ALL THE NUCLEAR WEAPON STATES HAVE URANIUM ENRICHMENT FACILITIES, NONE OF THEM, EXCEPT THE U.S. HAS ANY SURPLUS CAPACITY TO MEET THE INDIAN REQUIREMENTS. WHILE WEAPONS QUALITY URANIUM HAS TO BE ENRICHED TO THE EXTENT OF 90 PERCENT, THE LOWER GRADE THAT IS USED AS FUEL IN POWER REACTORS NEEDS ONLY THREE TO FOUR PER CENT ENRICHMENT. THE GASEOUS DIFFUSION PROCESS THAT IT GENERALLY USED FOR ENRICHING URANIUM POSES FORMIDABLE ENGINEERING PROBLEMS, APART FROM THE VERY HIGH CAPITAL OUTLAY AND TREMENDOUS ELECTRIC POWER REQUIRED FOR OPERATING THE PLANT. IT IS NOT A PRACTICAL PROPOSITION FOR INDIA TO MAKE SUCH IMMENSE INVESTMENT SIMPLY TO PRODUCE ENRICHED URANIUM FOR ONE POWER PLANT, IF IT HAS NO INTENTION OF USING IT FOR MILITARY PURPOSES. THE OTHER PROCESSES LIKE THE ULTRA GAS CENTRIFUGE AND THE JET NOZZLE SYSTEM, WHICH ARE RELATIVELY INEXPENSIVE, ARE STILL IN EXPERIMENTAL STAGES.

REPROCESSING OF SPENT FUELS

THE REPROCESSING OF SPENT FUELS FOR EXTRACTING PLUTONIUM DOES NOT INVOLVE ANY GREAT TECHNOLOGICAL PROBLEMS LIKE THE ENRICHMENT OF URANIUM. INDIA BUILT ITS FIRST RE-PROCESSING PLANT AT BOMBAY IN 1964 ENTIRELY ON ITS OWN, AND THE LATEST ONE AT TARAPUR ALSO HAS BEEN DESIGNED AND CONSTRUCTED BY INDIAN SCIENTISTS WITH LOCAL RESOURCES. AFTER THE FIRST INDIAN TEST EXPLOSION IN 1974, THE CHAIRMEN OF THE INDIAN AND U.S. ATOMIC ENERGY COMMISSIONS, DR. H.N. SETHNA AND DR. MISS DIXIE LEE RAY, EXCHANGED LETTERS, AFTER THE SUSPENSION OF THE CANADIAN COLLABORATION FOR THE RAJASTHAN POWER PLANT, TO THE EFFECT THAT THE WASTES OF THE NUCLEAR FUEL PROVIDED FOR TARAPUR WOULD CONTINUE TO BE RETAINED IN THE STORAGE TANKS AT THE PLANT AND NOT TRANSFERRED ELSEWHERE. THIS REASSURANCE WAS GIVEN ON THE

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CLEAR UNDERSTANDING THAT THE U.S. WOULD ABIDE BY ITS CONTRACTUAL OBLIGATION TO KEEP UP THE UNINTERRUPTED SUPPLY OF THE FUEL ELEMENTS, IN THE LIGHT OF THE TALKS THAT THE THEN FOREIGN SECRETARY, MR. KEWAL SINGH, HAD IN JULY 1974 WITH THE SECRETARY OF STATE, DR. HENRY KISSINGER IN WASHINGTON.

APART FROM THE NORMAL EXCHANGES THROUGH DIPLOMATIC CHANNELS,

THE INDIAN AND U.S. REPRESENTATIVES WILL HAVE AN OPPORTUNITY FOR FURTHER TALKS ON THIS COMPLEX PROBLEM WHEN THEY MEET IN VIENNA NEXT MONTH DURING THE ANNUAL MEETINGS OF THE INTERNATIONAL ATOMIC ENERGY AUTHORITY. BUT AN AGREED BASIS FOR FURTHER NEGOTIATIONS WILL HAVE TO BE EVOLVED AT THE POLITICAL LEVEL, PERHAPS WHEN MR. VAJPAYEE GOES TO WASHINGTON IN OCTOBER DURING THE U.N. GENERAL ASSEMBLY SESSION OR WHEN MR. CYRUS VANCE COMES TO DELHI IN NOVEMBER FOR THE SECOND MINISTERIAL MEETING OF THE INDO-U.S. JOINT COMMISSION. UNQUOTE. SCOTT

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## Message Attributes

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**REPEATED:** QUOTE  
**TAGS:** PARM, ENRG, TECH, SOPN, IN, US  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009